

years. It is growing at 2½ times the rate of the U.S. economy. And it consistently delivers consumers more innovative products at lower prices. But despite these facts, the U.S. Department of Justice insists that the industry is not competitive. Instead, the DOJ suggests that Microsoft, a company at the center of all that job creation and economic growth, should be regulated. That's right. The problem with the computer services industry, insists the Clinton Justice department, is that the government needs to be more involved. Isn't this the president who told us the era of big government is over? When government starts defining for our nation's fastest growing industry which innovations will be legal, which will be illegal, what can be given away for free and what cannot—well, I say that that is the definition of big government.

Mr. Speaker, every industry the government has ever tried to manage has suffered because of it. The free market works. And I defy any member to name just one industry—just one—that has generated as much economic growth and good-paying jobs as the computer services industry has, that was improved when government lawyers decided to regulate it.

Apparently the American people understand this better than the Justice Department. They understand that the way to ensure competition is to let consumers and the market decide, not government regulators. They understand that Microsoft is an agent of economic growth, not an obstacle to it. And the American people understand that Microsoft's success has helped establish the U.S. as the worldwide leader in the computer and software industries.

I, for one, do not believe we should sacrifice this world leadership on the altar of government regulation just because the Clinton Justice Department thinks consumers are incapable of making intelligent market choices.

Computers and software are big markets, and each new technological innovation opens up vast economic opportunities for the companies that have the wisdom and creativity to take advantage of them. The market does not guarantee equal outcomes, and the government should not come to the aid of businesses that didn't make smart choices.

The Department of Justice should take that to heart. And the software companies supporting the DOJ's suit against Microsoft should consider the chilling prospect that tomorrow it could very well be they who the government next decides to regulate.

The bottom line is that most software companies would gladly trade places with Microsoft. It's a great company that has been innovative, improved its products, been aggressive, and reaped the rewards of market success. The place for companies to compete with Microsoft, however, is in the marketplace, where consumers will let the competitors know whose products they like and what innovations they want to see.

But for the government to choose sides in a highly competitive industry is not only unfair, it's not necessary. If Microsoft is to fail, it should be because it failed to innovate, not because its innovations were outlawed by the Clinton Justice Department.

# CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1999

SPEECH OF

**HON. CONSTANCE A. MORELLA**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 4, 1998*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.Con. Res. 284) revising the congressional budget for the United States Government for fiscal year 1998, establishing the congressional budget for the United States government for fiscal year 1999, and setting forth appropriate budgetary levels for fiscal years 2000, 2001, 2002, and 2003:

Mrs. MORELLA. Mr. Chairman, I voted against the rule for consideration of the House budget resolution yesterday and I will vote against the resolution itself when it is considered later today.

I voted against the rule because it did not allow consideration of the Minge-Stenholm budget substitute, a proposal based on the Senate-passed budget resolution. The Senate budget resolution closely tracks the Balanced Budget Act passed last summer, maintaining the discretionary caps set in last year's budget agreement and allowing for realistic tax cuts if offsets are provided. I strongly believe that we should follow the budget agreement that we approved by a wide bipartisan vote. In so doing, we could move quickly to approve the appropriations bills for Fiscal Year 1999 and avoid delaying our responsibility to pass all thirteen funding bills before October 1.

The Budget Committee budget resolution simply goes too far. Cutting \$101 billion over five years beyond the cuts required by last year's budget agreement is too extreme and would do great harm to a number of domestic programs. It is important to understand that all of these additional cuts would come from non-defense spending. Of that total, \$45 billion in additional domestic discretionary reductions would be required and \$56 billion in additional mandatory spending reductions would be necessary. The additional \$101 billion in cuts would be used for tax cuts.

Achieving that level of savings required under last year's budget agreement will be difficult enough—it is hard to imagine how we would achieve an additional \$101 billion in cuts. The very fact that the bulk of these cuts are put off until 2002 and 2003 makes it clear that they would not only be extremely painful, they would be nearly impossible to achieve. We simply cannot provide a \$101 billion tax cut without requiring unrealistic and unfair reductions in domestic programs.

Further, the Budget Committee's resolution bypasses the "PAYGO" rules by allowing a portion of the tax cut to be financed by cuts in discretionary spending. As the Concord Coalition has stated, "There is good reason for this rule (PAYGO). Because discretionary programs are funded year-by-year, temporary cuts in discretionary spending should never be used to fund permanent tax cuts. . . . The next Congress, or the one after that, may decide to put back the spending that was cut this year. But who thinks they will reinstate the income tax marriage penalty? The lost stream of revenue will continue forever, but the discretionary

spending cuts could disappear after the next election. We are concerned that if the PAYGO rule is set aside, it will send a signal that from now on, 'anything goes'."

While I believe the Budget Committee was correct in dropping their recommendations for specific proposals to achieve the additional cuts, some of the savings are required in program areas with few options. For example, the Committee resolution requires a \$1.7 billion reduction over five years in mandatory spending under the jurisdiction of the Committee on Government Reform and Oversight, on which I serve. Mr. Speaker, we have seen such attacks on federal employee and retiree benefits before. Because the committee's jurisdiction is limited to federal retirement and benefits and the postal service, it is very difficult to identify mandatory savings in the Balanced Budget Act. Each of the few remaining options are painful. It is unfair to come back again and again to federal employees and retirees who have borne more than their fair share of deficit reduction. In fact, the Budget Committee originally recommended limiting the annual growth in the government's share of FEHBP premiums to the consumer price index, which would result in cost-shifting \$3.1 billion in premiums onto retirees and employees. According to a CBO estimate prepared last year, the added annual cost to enrollees would be \$400 in 2002 and more in later years. This provision would undo an important change in FEHBP's formula that I offered as an amendment to the BBA. The formula included in the BBA is fair—it is derived from taking a weighted average of all the plans and setting the maximum government contribution at 72%; it will ensure that federal employee premiums do not rise and the government's share and employees' share will remain the same. Alternative proposals to cut mandatory spending could be equally harmful—we have already been through COLA delays and increased contributions to retirement, and it is unfair to keep going back to the same group for increased cuts.

The Budget Committee budget resolution has also been changed to eliminate an assumed \$10 billion reduction in outlays in Medicare by requiring instead that the savings come from other income security programs within the Committee on Ways and Means. In effect, it appears that the Committee would be forced to take almost all of this reduction from the block grant for Temporary Assistance for Needy Families (TANF)—breaking Congress' agreement with the governor on welfare reform. Despite large caseload reductions in many states, families who remain on TANF experience substantial obstacles in achieving economic self-sufficiency. This block grant is critical to ensuring the resources are there to assist families in their transition from welfare to work.

The Senate budget resolution closely follows the spending cuts in last year's budget agreement and provides for a much smaller tax cut. A large bipartisan majority support the elimination of the marriage penalty as I do. The Senate budget resolution would provide the means to work toward that objective, while also preserving critical domestic programs.

I urge my colleagues to vote against this rule and this budget resolution. Let us follow the lead of the Senate and approve a sensible and realistic budget resolution. Last year, we passed a strong bipartisan budget agreement; let's stick to it.